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Proposed programme budget for the biennium 2016-2017*

Part IV
International cooperation for development

Section 13
International Trade Centre

(Subprogramme 6 of programme 10 of the biennial programme plan for the period 2016-2017)**

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* A summary of the approved programme budget will be issued as A/70/6/Add.1.

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Overview

Table 13.1 **Financial resources**
(United States dollars)

Appropriation for 2014-2015	39 454 900
Proposal of the Secretary-General for 2016-2017[a]	39 454 900

[a] At 2014-2015 revised rates.

Table 13.2 **Post resources**

	Number	*Level*
Regular budget		
Approved for the biennium 2014-2015	160	1 ASG, 1 D-2, 5 D-1, 20 P-5, 30 P-4, 20 P-3, 14 P-2/1, 69 GS (OL)
Proposed for the biennium 2016-2017	160	1 ASG, 1 D-2, 5 D-1, 20 P-5, 30 P-4, 20 P-3, 14 P-2/1, 69 GS (OL)

Overall orientation

13.1 The International Trade Centre (ITC) is the joint technical cooperation agency of the United Nations and the World Trade Organization (WTO) for business aspects of trade development. Originally created by the General Agreement on Tariffs and Trade (GATT) in 1964, ITC has operated since 1968 under the joint auspices of GATT/WTO and the United Nations, the latter acting through the United Nations Conference on Trade and Development (UNCTAD). Within the United Nations system of assistance for developing countries, ITC is the focal point for technical assistance and cooperation activities for trade and international business development, as reaffirmed by the Economic and Social Council in its resolution 1819 (LV). The Centre is responsible for the implementation of subprogramme 6, Operational aspects of trade promotion and export development, of programme 10, Trade and development, of the biennial programme plan for the period 2016-2017.

13.2 For over 50 years, ITC has been actively providing trade-related technical assistance to small and medium-sized enterprises (SMEs) in developing countries. Improving their international competitiveness, a mandate entrusted to the Centre, has demanded pragmatic, timely, customized and integrated responses, within an environment that has seen significant changes over the last few years. The global trade and development landscape has continued to evolve with increased calls for development to be sustainable and inclusive, with emphasis on gender — in particular women's and girls' economic empowerment — as well as youth employment. This is against the backdrop of new actors, new production and trade patterns and technological innovations.

13.3 The 2030 Agenda for Sustainable Development, which is scheduled for consideration in 2015, is likely to reaffirm the global community's commitment to promoting shared economic prosperity, social development and environmental protection, with the eradication of poverty in all forms and dimensions being the greatest goal. The proposed Agenda brings economic development and trade to the core, as an engine for inclusive economic growth and poverty reduction. With the majority of the private sector constituted by SMEs, particularly in developing countries, their role in the delivery of the transformation will be critical. Successful SMEs fuel economic growth, increase the demand for labour, potentially for women and youth, and help to raise living standards. Their

Abbreviations: ASG, Assistant Secretary-General; GS, General Service; OL, Other level.

contribution can be further enhanced through increased competitiveness and integration into the global economy.

13.4 Through its mandate, ITC is well positioned to support and contribute to the attainment of this trade and development agenda and sustainable development goals as well as to help SMEs benefit from WTO agreements. ITC works with developing countries to foster partnerships between SMEs, Governments and other strategic partners to provide sustainable capacity-building that harnesses existing and new opportunities for SMEs. When SMEs have access to market intelligence, when they are able to access finance, build capacity and skills, they become more competitive, connect to international markets and can generate more and better jobs.

13.5 ITC will seek to improve the international competitiveness of SMEs in developing countries, especially least developed countries, and countries with economies in transition. In order to achieve that goal, ITC will focus on the delivery of trade-related technical assistance activities linked to trade intelligence and export development issues.

13.6 ITC will address the operational aspects of trade promotion and export development. Its strategic vision is one of fostering inclusive and sustainable growth and development through trade and international business development. Within this context, the strategic challenges of ITC are to strengthen the integration of the business section into the global economy, improve the performance of trade support institutions for the benefit of enterprises, and improve the international competitiveness of enterprises.

13.7 ITC will continue to support SMEs to address environmental sustainability and to economically empower women, youth and poor communities. To complement these efforts, ITC will reinforce its support to promote regional economic integration. In addition, ITC will work with emerging economies to promote value-added trade, investment and technology transfer.

13.8 The Centre's interventions concentrate on three strategic objectives: (a) strengthened integration of the business sector into the global economy; (b) improved performance of trade and investment support institutions for the benefit of enterprises; and (c) improved international competitiveness of micro-, small and medium-sized enterprises.

13.9 During the biennium 2014-2015, ITC celebrated its fiftieth anniversary by achieving significant successes towards "trade impact for good", doing more and doing it better. Further, ITC underwent two organization-wide evaluations, one independent evaluation delivered on behalf of extrabudgetary donors of ITC, and a second evaluation by the Office for Internal Oversight Services. Both evaluations took 2006 as their starting point, found ITC to be in good health, delivering valuable services on the ground, and pointed to areas where ITC could do better.

13.10 The independent evaluation, which concluded in 2014, found that overall the Centre has been able to continue providing high-quality services in its specialized field that are relevant and responsive, effective and relatively efficient. Its four strategic-level recommendations are that ITC:

(a) Move to a strategic base for supporting and deploying the unique strengths of ITC in the global Aid for Trade effort;

(b) Protect and develop its main and distinctive working assets: its special capacity to deal with the private sector in trade and its excellence in technical expertise and appropriate technical assistance;

(c) Pragmatically strengthen governance and continue to strengthen accountability while minimizing bureaucracy;

(d) Move up to the next level of visibility, engagement and effectiveness as a key player in the global Aid for Trade effort.

The ITC responses to these recommendations have been made an essential ingredient of the subsequent strategic plan and annual plans. In addition, the Centre has convened discussions with stakeholders on the recommendations aimed at ITC supporters, funders and the wider Aid for Trade community. ITC has also already devised detailed actions for each recommendation.

13.11 The evaluation of ITC by the Office of Internal Oversight Services (OIOS) was reported to the Committee for Programme and Coordination in June 2015 (see E/AC.51/2015/8). Its overall conclusion was that ITC successfully delivered project activities and outputs in the areas of specialized trade research, capacity-building, policy support and export competitiveness support. In its report it recommended that ITC:

(a) Regularly monitor operational units' implementation of the action plans formulated in response to the 2014 evaluation of the Centre as well as the present evaluation, and regularly report on such implementation to its Joint Advisory Group;

(b) Incrementally adopt a more holistic, data-driven approach to strategic planning and budgeting;

(c) Revise its programme and project approval protocol to ensure project alignment with corporate priorities and objective needs assessments, as well as adequate attention to monitoring and evaluation and risk management;

(d) Improve its capacity to generate credible evidence on the results its interventions have achieved, and on the cost-effectiveness of the interventions;

(e) Accelerate mainstreaming of cross-cutting issues.

ITC has already drafted a detailed set of actions for each recommendation.

13.12 ITC reported on its progress on each of the actions to which it committed as part of its responses to these two evaluations at the 49th meeting of its Joint Advisory Group in June 2015. Of 23 actions in response to the independent evaluation, 4 have already been completed, and the rest are well under way. Of the 20 actions in response to the OIOS evaluation, 4 have been completed and the remainder are in progress.

13.13 The ITC response to these recommendations formed the foundation for the considerable improvements that ITC delivered in the biennium. In 2014, the Centre delivered 35 per cent more technical assistance capacity-building and market intelligence than the previous year with extrabudgetary expenditures reaching an all-time high of $53.0 million. By the end of 2014, ITC had surpassed the halfway mark for its biennium targets against all but one outcome indicator and therefore chose to introduce more ambitious 2015 targets. In remaining committed to the support of least developed countries, landlocked developing countries, small island developing States, sub-Saharan Africa, countries in situations of conflict and post-conflict and small and vulnerable economies, ITC has surpassed its target of spending at least 60 per cent of its technical assistance for the benefit of those countries. In 2014, 73 per cent of region- or country-specific technical assistance was focused on those beneficiaries. The Centre also introduced significant improvements in the effectiveness and efficiency of its operations.

13.14 In 2014, ITC adopted a strategic plan for 2015-2017. The plan sets out how the Centre intends to respond to a growing demand for services in a challenging global context where trade and SME international competitiveness are recognized as important contributors to sustainable development. The plan was developed through a public and inclusive consultative process involving diverse stakeholders. It sets out a vision to grow to meet client demand by concentrating interventions around six focus areas, with corresponding programmes, and enhancing the efficiency and effectiveness of these interventions.

13.15 The strategic plan for 2015-2017 provides the Centre's approach to achieving its objectives for the period, identifying key deliverables for each of the six focus areas as described below. All the focus areas are aligned to the sustainable development goals:

(a) Trade and market intelligence for SME competitiveness: Providing intelligence on trade and investment flows, market access, private standards and sector development through web-based and capacity-building solutions;

(b) Building a conducive business environment: Working with public and private sector representatives to bring about change in the trade dynamics of a sector, country or region through policy and strategies that are more conducive to trade;

(c) Strengthening trade and investment support institutions: Building the capacity of trade and investment support institutions to better assist SMEs to trade;

(d) Connecting to value chains: SME competitiveness, diversification and links to export markets — Market-led approaches to building SME competitiveness through integrated sector development and packaged solutions to help SMEs provide value-added products and services as well as to address production- and logistics-related challenges;

(e) Supporting regional economic integration and South-South links: Promoting value-added trade, investment and technology transfer between emerging economies and other developing countries, including least developed countries, as well as supporting regional integration initiatives and intraregional trade;

(f) Promoting and mainstreaming inclusive and green trade: Using trade as a platform to address wider social and environmental issues, including poverty, gender, youth and the environment.

13.16 The strategic plan also defines the Centre's commitments to continue to improve the effectiveness of its technical assistance through:

(a) Being more impact-driven;

(b) Increasing operational effectiveness and efficiency;

(c) Investing in technical expertise and improving performance management;

(d) Building new and strengthening existing strategic partnerships;

(e) Increasing awareness on trade and international business development through visibility and accessibility.

13.17 The Centre will continue to implement the commitments made in the strategic plan through annual operational plans and will track progress through annual reports, both of which are shared with its governing bodies.

13.18 The programme of work of ITC is reviewed annually by the Joint Advisory Group of the International Trade Centre, the main intergovernmental policy forum of the Centre, which is open to members of UNCTAD and WTO. The UNCTAD Trade and Development Board and the WTO General Council review the report, including recommendations, of the Joint Advisory Group annually.

13.19 In order to remain responsive in the dynamic arena of international trade and development cooperation, it is important for organizations such as ITC to be aware of changes in the priorities and needs of developing countries and adjust their goals when relevant. Accordingly, the Centre's new approach embodied in its 2015-2017 strategic plan and the 2016-2017 biennial programme plan builds on lessons learned by reaffirming commitment of ITC to trade promotion and international business development support for developing countries and countries with economies in transition and maintaining a special focus on the needs of least developed countries, landlocked

developing countries, small island developing States, sub-Saharan Africa, countries in situations of conflict and post-conflict countries and small, vulnerable economies. It also maintains the focus on the three ITC client groups: policymakers, trade and investment support institutions and SMEs. Particular emphasis will be placed on regional integration and regional trade opportunities, as well as South-South trade. In addition, the new biennial programme plan enables: better focus to help improve delivery against the Centre's overall objective; greater coherence between the expected accomplishments of ITC and their related indicators; and more inclusiveness with the gender dimension of trade and international business development better captured through two dedicated indicators. A theory of change is being developed for each of the programmes outlined in the strategic plan to ensure maximum coherence with ITC strategic objectives and facilitate the shift towards greater impact analysis.

13.20 In delivering its programmes, ITC will continue in its endeavour to provide client countries with high-quality, low-cost services and programmes, tailor-made to their specific needs and circumstances, and the assurance of the sustainability of its actions for the long term. A key factor in the strategy of ITC is the continuous refinement of its tools and methodologies to ensure that the technical assistance provided is constantly aligned with the rapidly evolving needs of the world trading system.

13.21 In the biennium 2016-2017, ITC intends to respond to these challenges by continuing to rationalize existing regular budget resources to support applied research, tools and product and programme development. Regular budget resources will be utilized for the development of global public goods in the form of trade and market intelligence and tools for subsequent adaptation for and application by individual enterprises or by partner organizations in developing countries and countries with economies in transition. This applied research focus ensures that ITC technical cooperation is of a high standard, timely and cost effective for field delivery. Increasing use is being made of information and communications technology as a means of supporting research and delivering technical assistance. Demand for ITC technical assistance continues to outpace available resources, thereby leading ITC to find innovative ways to deliver its assistance.

13.22 During the biennium 2016-2017, the Centre will strengthen its engagement with least developed countries, landlocked developing countries, small island developing States, sub-Saharan Africa, countries in situations of conflict and post-conflict countries and small, vulnerable economies, which constitutes the largest demand on ITC resources, by opening a liaison arrangement in Addis Ababa. This is intended to ensure greater presence and leverage synergies for timely responsiveness, continuity and impact. Efforts will be made to strengthen inclusive stakeholder engagement and contacts; elaborate country and regional knowledge; support the development and implementation of ITC initiatives; enhance resource mobilization opportunities; and continue building relationships with field-based donor representatives and other strategic partners, including the private sector, for these priority countries and regions.

13.23 The level of coordination and engagement required at United Nations Headquarters in New York has increased significantly with the imminent adoption of sustainable development goals. Therefore, ITC will strengthen its current representation in New York from a part-time consultant to a full-time Professional staff at the P-5 level and secretarial support, both funded by voluntary contributions to the Centre. This stronger presence will contribute to the visibility of the Centre's value proposition; deepen partnerships with the private sector and other strategic partners in the United Nations for the successful delivery of the sustainable development goals; and better leverage funding for ITC beneficiary countries.

13.24 The Office of the Chief Economist, within the Division of Market Development, will enhance ITC's general capabilities in trade and economic-related analysis with particular focus on SME international competitiveness which is core to the ITC mandate. The analysis produced by the

Office of the Chief Economist will notably contribute to strengthening ITC's design of trade-related technical assistance projects and tools and the evaluations thereof. The Office's primary products will be an annual flagship report on SME competitiveness and a recurring survey examining SME competitiveness across developing countries. This will raise the ITC visibility, addressing one of the key recommendations made by the independent evaluation of ITC, and provide important new analysis of the state of the private sector in the developing countries and countries in transition.

13.25 Through the work of the Trade Facilitation and Policy for Business Section within the Division of Business and Institutional Support, the Centre will consolidate its assistance to decision- and policymakers in enabling a conducive business environment for trade, and sharpen its focus on delivering trade facilitation support services. This will greatly enhance the ability of ITC to support its members in implementing the WTO Trade Facilitation Agreement made in Bali in December 2013, given its specific focus on SMEs.

Administrative arrangements for ITC

13.26 The General Assembly, in section I of its resolution 59/276, endorsed revised administrative arrangements for ITC as set out in the report of the Secretary-General (A/59/405). In conformity with those administrative arrangements, after consultations between the secretariats of the United Nations, WTO and ITC, a proposal in the form of a simplified fascicle, is submitted in the second quarter of the year preceding the forthcoming financial period to the General Assembly and the WTO General Council, with a request that both bodies take note of the planned level of resources to be requested. The detailed proposed programme budget (long fascicle) is submitted to the General Assembly and to the WTO General Council in the fourth quarter of the year preceding the forthcoming financial period.

13.27 Since the implementation in 2005 of the revised administrative arrangements, there have been requests to improve the harmonization of the budget process. Most recently, in paragraph 36 of its report on the proposed programme budget for the biennium 2014-2015 (A/68/7/Add.6), the Advisory Committee on Administrative and Budgetary Questions urged the Secretary-General to intensify his efforts to simplify existing arrangements so as to require only one review by the Committee in the year preceding the financial period. Accordingly, after consultations with representatives of the United Nations and WTO, it was concluded that ITC will no longer be required to submit a simplified fascicle as foreseen in the current administrative arrangements starting with the biennium 2018-2019. However, ITC should continue to submit the detailed proposed programme budget to the review bodies and to the General Assembly and the WTO General Council in the fourth quarter of the year preceding the financial period.

13.28 It is therefore proposed to discontinue the submission of the simplified fascicle as foreseen in the current administrative arrangements, to take effect with the preparation of the submission of the programme budget proposal for the biennium 2018-2019. The proposed level of resources for the biennium 2018-2019 will, however, be indicated in Swiss francs and its United States dollar equivalent in the foreword and introduction to the proposed programme budget, hence ensuring that the proposed budgetary requirements under this section will be included in the Secretary-General's proposed programme budget of the biennium concerned.

Overview of resources

13.29 In line with the administrative arrangements for the International Trade Centre, endorsed by the General Assembly in its resolution 59/276, the present report contains resource requirements for

ITC in Swiss francs. The overall resources proposed for the biennium 2016-2017 amounts to SwF 75,501,700 (after recosting), at an exchange rate of SwF 0.950 to $1.00.

13.30 Miscellaneous income from various sources for the biennium 2016-2017 is projected at SwF 400,000.

13.31 Table 13.3 below shows the requirements for the biennium 2016-2017, expressed in Swiss francs, after recosting. The net contribution of each parent organization of ITC is therefore estimated at SwF 37,550,850 (i.e., 50 per cent of SwF 75,101,700), after taking into account miscellaneous income amounting to SwF 400,000, equivalent to $39,527,200.

Table 13.3 **Financial resources by component (full budget)**[a]

(Thousands of Swiss francs)

(1) *Regular budget*

(Equal share of the contribution by each parent organization)[b]

			Resource changes							
Component	*2012-2013 expenditure*[c]	*2014-2015 appropriation*	*Technical adjustment (non-recurrent, biennial provision of posts)*	*New mandates and inter-component changes*	*Further reductions in line with resolution 69/264*	*Efficiencies in line with resolution 69/264*	*Total*	*Percentage*	*Total before recosting*	*Recosting*	*2016-2017 estimate*
Programme of work											
Subprogramme 6, Operational aspects of trade promotion and export development	70 932.1	73 397.6	–	–	–	–	–	– 73 397.6	1 704.1	75 101.7
Subtotal, 1	**70 932.1**	**73 397.6**	–	–	–	–	–	**– 73 397.6**	**1 704.1**	**75 101.7**

(2) *Extrabudgetary*

Component	*2012-2013 expenditure*	*2014-2015 estimate*	*2016-2017 estimate*
Programme of work	75 711.2	102 700.0	119 700.0
Subtotal, 2	**75 711.2**	**102 700.0**	**119 700.0**
Total, 1+2	**146 643.3**	**176 097.6**	**194 801.7**

[a] An exchange rate of SwF 0.950 to $1.00 is used to determine the United States dollar equivalent.

[b] United Nations and World Trade Organization.

[c] Overall level of expenditure incurred in Swiss francs, of which the United Nations share amounts to SwF 35,466,000, equivalent to $39,735,400.

Table 13.4 **Post resources (full budget)**

	Established regular budget		*Temporary*					
			Regular budget		*Extrabudgetary*[a]		*Total*	
Category	*2014-2015*	*2016-2017*	*2014-2015*	*2016-2017*	*2014-2015*	*2016-2017*	*2014-2015*	*2016-2017*
Professional and higher								
ASG	1	1	–	–	–	–	1	1
D-2	1	1	–	–	–	–	1	1
D-1	5	5	–	–	1	–	6	5
P-5	20	20	–	–	2	1	22	21
P-4/3	50	50	–	–	6	7	56	57
P-2/1	14	14	–	–	–	1	14	15
Subtotal	**91**	**91**	**–**	**–**	**9**	**9**	**100**	**100**
General Service								
Other level	**69**	**69**	**–**	**–**	**11**	**11**	**80**	**80**
Subtotal	**69**	**69**	**–**	**–**	**11**	**11**	**80**	**80**
Total	**160**	**160**	**–**	**–**	**20**	**20**	**180**	**180**

[a] All 20 posts are funded from programme support costs.

Other assessed and extrabudgetary resources

13.32 It is estimated that for the biennium 2016-2017, extrabudgetary resources amounting to approximately $126.0 million, equivalent to SwF 119.7 million, will be available. This represents an increase of approximately 17.0 per cent, in terms of United States dollars, of the estimated total extrabudgetary expenditure incurred/projected during the biennium 2014-2015. Extrabudgetary resources complement provisions under the regular budget and enable ITC to implement its technical cooperation projects using the tools and knowledge base developed with regular budget resources.

Other information

13.33 In its report on the evaluation function in the United Nations system (JIU/REP/2014/6), the Joint Inspection Unit acknowledged that ITC has developed a comprehensive budget framework and resource allocation plan for its evaluation functions. Evaluation resources in the biennium 2016-2017 will amount to $1,613,000, comprising $1,258,000 under the regular budget (including one P-4 post, one P-3 post and SwF 400,000 dedicated to evaluation activities), and $355,000 in extrabudgetary resources.

13.34 The annual evaluation work programme is driven by recommendations of the independent evaluation of ITC (2014), the OIOS evaluation of ITC (2015), and the United Nations Evaluation Group peer review of the ITC evaluation function 2015/2016. The priority-setting and evaluation selection criteria shall take into consideration: assessment of risks, the ITC strategic plan 2015-2017, the ITC portfolio, the maturity of operations, the value of innovation and learning, potential for future strategic development, rigour of theory of change, and timeliness. Particular attention will be paid to the evaluation function and methods with a view to incremental improvement. Over the biennium, improvement will be achieved through: (a) training ITC staff in evaluation skills; (b) introducing improved methods to measure impact; and (c) strengthening communication with

evaluation stakeholders, particularly with the two parent organizations of ITC (WTO and UNCTAD) as well as member States.

13.35 The ITC Evaluation Unit will produce and deliver the following services: (a) independent evaluation of ITC programmes, functions and business processes; (b) advisory services on evaluation, monitoring and reporting at programme/project levels; (c) self-evaluation, development of validation mechanisms, carrying out of training on evaluation; (d) development of impact assessment methods at ITC; and (e) liaison and partnering with external bodies.

13.36 The ITC publications programme, as part of the Centre's overall technical cooperation programme, is designed to assist SMEs, trade and investment support institutions and policymakers in developing countries and countries with economies in transition to have ready access to information and analysis in support of trade and international business development. SMEs international competitiveness will be the overarching theme for the publications programme for the biennium 2016-2017, spearheaded by the ITC annual flagship, the "SME Competitiveness Outlook". The programme will be closely aligned to the six focus areas of the Centre's strategic plan, leading to an overall reduction in the number of publications planned compared to previous bienniums while providing greater focus and relevance for partners and stakeholders. During the biennium 2016-2017, ITC will refresh and maintain its digital library with its most popular reference texts; continue to publish sector- and region-specific publications; and introduce a selection of world class opinion pieces on key issues affecting trade. The Centre will make these public goods more widely available to its clients through its enhanced website and distribution systems.

13.37 It is anticipated that recurrent and non-recurrent publications will be issued as summarized in table 13.5 below.

Table 13.5 **Summary of publications**

	2012-2013 actual			*2014-2015 estimate*			*2016-2017 estimate*		
Publications	*Print*	*Electronic*	*Print and electronic*	*Print*	*Electronic*	*Print and electronic*	*Print*	*Electronic*	*Print and electronic*
Recurrent	–	–	29	–	–	16	–	–	18
Non-recurrent	–	–	43	–	–	52	–	–	44
Total	**–**	**–**	**72**	**–**	**–**	**68**	**–**	**–**	**62**

Programme of work

13.38 The programme of work will be implemented in accordance with the strategy detailed under subprogramme 6 of programme 10 of the biennial programme plan for the period 2016-2017. The subprogramme will build on results achieved and lessons learned in previous bienniums.

13.39 The executive direction and management function of ITC is under the responsibility of the Office of the Executive Director, while three substantive divisions implement technical assistance activities, namely, the Division of Country Programmes, the Division of Market Development, and the Division of Business and Institutional Support. The Division of Programme Support renders the requisite administrative, logistical and programme support services.

13.40 The Office of the Executive Director provides strategic leadership for the development and management of the Centre. It leads and coordinates the corporate work programme and is responsible for governance, strategic planning, risk management, resource mobilization and

partnerships, communications and the key functions of evaluation, performance reporting and quality assurance. The Office represents the Centre at the executive level vis-à-vis Governments, United Nations bodies, WTO and other key stakeholders.

13.41 The Division of Country Programmes ensures country ownership, coherence and the impact of the Aid for Trade offering of ITC; coordinates ITC interventions in countries with key stakeholders and development partners; develops the ITC pipeline based on client needs and the priorities of the Centre's strategic plan; and achieves synergies and coherence in project and programme implementation.

13.42 The Division of Market Development provides developing countries and economies in transition with leading trade intelligence, innovative sector and value-chain approaches and thought-leadership on trade-related topics to strengthen SME international competitiveness. The Division will strengthen the provision of trade information and market knowledge; further develop sustainable value-chain and sector development approaches with a focus on broad socioeconomic impact; develop a solid services sector programme; and provide thought-leadership on core topics associated with the ITC overall strategy and trade-related technical assistance provision.

13.43 The Division of Business and Institutional Support provides comprehensive services for fostering SME competitiveness through institutional strengthening while enabling a conducive business environment. The Division works in close collaboration with the Centre's geographical/regional offices and market development experts to ensure that solutions are appropriate and coherent. The Division will facilitate effective participation of the private sector in the policymaking process while implementing the WTO Trade Facilitation Agreement and addressing issues related to non-tariff measures; improve the performance of trade and investment support institutions to provide business support services to SMEs; and strengthen the ability of SMEs, particularly women-owned SMEs, to connect to local, regional and global value chains, contributing to their internationalization.

13.44 The Division of Programme Support is responsible for assisting the programme management of ITC in ensuring efficient and effective management and utilization of the Centre's human, financial, material and other resources available to implement its programme of work. During 2016-2017, the Division will strengthen partnerships with operational divisions to ensure effective delivery; continue to optimize resources and processes across the Centre through the implementation of the new enterprise resource planning system, Umoja; endeavour to enhance the management of staff resources through the introduction of dynamic succession planning, development and application of an ITC skills database and career development protocols; and strive to strengthen and streamline financial management and budgetary processes through increased application of the International Public Sector Accounting Standards (IPSAS), seeking opportunities for efficiencies, reduced duplication and improved timeliness.

13.45 The Centre recognizes that stakeholder engagement and building solid partnerships are necessary to achieve its programme of work and related development results. Accordingly, ITC attaches great importance to partnerships, carrying out its technical cooperation activities in coordination with its founding bodies, UNCTAD and WTO, and with a variety of agencies both within and outside the United Nations system. The Centre will continue to play an active role in the United Nations System Chief Executives Board for Coordination (CEB) Inter-agency Cluster on Trade and Productive Capacities. ITC will also contribute to the CEB as an observer to the United Nations Development Group (UNDG) and as a member of the High-Level Committee on Management (HLCM) and to work closely with other agencies. Further, cooperation with aid agencies under the Enhanced Integrated Framework and other Aid for Trade initiatives will continue. Partnerships with existing partners and trade-related capacity-building providers, such as the Commonwealth Secretariat, the International Organization for Standardization, the Organisation Internationale de

la Francophonie, the World Bank, the Food and Agriculture Organization of the United Nations, the United Nations Development Programme, the United Nations Global Compact, the United Nations Industrial Development Organization, the World Intellectual Property Organization, the United Nations World Tourism Organization, the United Nations High Commissioner for Refugees, the World Customs Union, regional commissions and regional development banks will be strengthened. Direct collaboration with bilateral technical cooperation agencies, in the design and implementation of field-level activities, will be reinforced. The Centre will also build upon recent successes in strengthening partnerships with the private sector, both as buyers and as partners that support ITC initiatives.

13.46 In terms of measuring performance and being accountable to its stakeholders, results-based management approaches will continue to be a priority in ITC in strengthening accountability. Since 2011, ITC has worked on developing an integrated development results system linking the outputs and outcomes of all technical assistance projects to its corporate strategic framework. In July 2013, ITC made results information available to the public on its website. Stakeholders are able to assess the Centre's actual and planned results by project and country. In 2015, ITC launched its New Project Portal that captures information throughout the entire project life cycle and facilitates development results planning and tracking at all levels. It also enables better financial planning and management, alongside and complementary to the transitions to IPSAS and Umoja. During the biennium 2016-2017, ITC will continue its efforts to strengthen accountability, including through the further development of its efforts to measure impact. To this effect, an organization-wide impact assessment framework will be put in place. This will include logic models and theories of change for each of its programmes, impact surveys of firms, and better planning for impact at all stages of project development.

Table 13.6 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective of the Organization: To foster inclusive and sustainable growth and development in developing countries, especially least developed countries, and countries with economies in transition through trade and international business development

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures*		
			2016-2017	*2014-2015*	*2012-2013*
(a) Strengthened integration of the business sector into the global economy	(i) Number of male and female clients reporting greater awareness of international trade as a result of ITC support	Target	175 000	–	–
		Estimate		–	–
		Actual			–
	(ii) Number of cases in which trade-related policies and/or strategies and/or regulations have been improved with input from the business sector as a result of ITC support	Target	150	–	–
		Estimate		–	–
		Actual			–
(b) Improved performance of trade support institutions for the benefit of enterprises	Number of institutions reporting improved operational and managerial performance as a result of ITC support	Target	400	120	105
		Estimate		200	139
		Actual			139
(c) Improved international competitiveness of enterprises	(i) Number of enterprises reporting improved international competitiveness as a result of ITC support	Target	10 000	–	–
		Estimate		–	–
		Actual			–

Expected accomplishments of the Secretariat	*Indicators of achievement*		*Performance measures*		
			2016-2017	*2014-2015*	*2012-2013*
	(ii) Percentage of enterprises that are owned, operated and controlled by women reporting improved international competitiveness as a result of ITC support	Target	40%	–	–
		Estimate		–	–
		Actual			–
	(iii) Number of enterprises having transacted international business as a result of ITC support	Target	4 000	1 600	1 506
		Estimate		1 600	1 279
		Actual			1 608
	(iv) Percentage of enterprises that are owned, operated and controlled by women having transacted international business as result of ITC support	Target	40%	–	–
		Estimate		–	–
		Actual			–

External factors

13.47 The subprogramme will achieve its objectives and expected accomplishments on the assumption that (a) the international community and other stakeholders remain fully engaged and committed to working with ITC; (b) there are no significant shortfalls in actual receipt of extrabudgetary funding; (c) the political capacity and geographical conditions in recipient countries remain stable for the implementation of programme activities; (d) the mandates of the United Nations and other international organizations that impact ITC remain the same; and (e) the enabling environment in the form of fiscal and monetary policies and other measures, including physical infrastructure in recipient countries, does not deteriorate.

Outputs

13.48 During the biennium 2016-2017, the following outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies (regular budget and extrabudgetary):

(i) Substantive servicing of meetings: Joint Advisory Group (4); Consultative Committee of the ITC Trust Fund (4);

(ii) Parliamentary documentation: annual report on the activities of ITC and annexes (2); reports of the Joint Advisory Group (2); reports of the Consultative Committee of the ITC Trust Fund (4);

(b) Other substantive activities (regular budget and extrabudgetary):

(i) Recurrent publications: magazines (8); books (7); papers (3); newsletters (13);

(ii) Non-recurrent publications: books (7); papers (37); newsletters (1);

(iii) Special events (7);

(iv) Technical materials for outside users (databases, websites) (30);

(c) Technical cooperation (regular budget and extrabudgetary):

(i) Advisory services: Provision of assistance and advisory services (approximately 400) to clients, at their request, on a specialized topic, that enables clients to make decisions. These services are related to assessment of needs, design, formulation or

implementation of technical cooperation change initiatives. All advisory services will address at least one of the six ITC strategic focus areas;

(ii) Training: Training courses, seminars and workshops to transfer skills and knowledge on selected trade topics (approximately 1,000 for approximately 20,000 participants);

(iii) Field projects: 130 national, regional and interregional field projects.

Table 13.7 **Resource requirements (full budget)**

(Thousands of Swiss francs)

	Resources		*Posts*	
Category	*2014-2015*	*2016-2017 (before recosting)*	*2014-2015*	*2016-2017*
Regular budget				
Post	58 847.4	58 847.4	160	160
Non-post	14 550.2	14 550.2	–	–
Subtotal	**73 397.6**	**73 397.6**	**160**	**160**
Extrabudgetary	102 700.0	119 700.0	20	20
Total	**176 097.6**	**193 097.6**	**180**	**180**

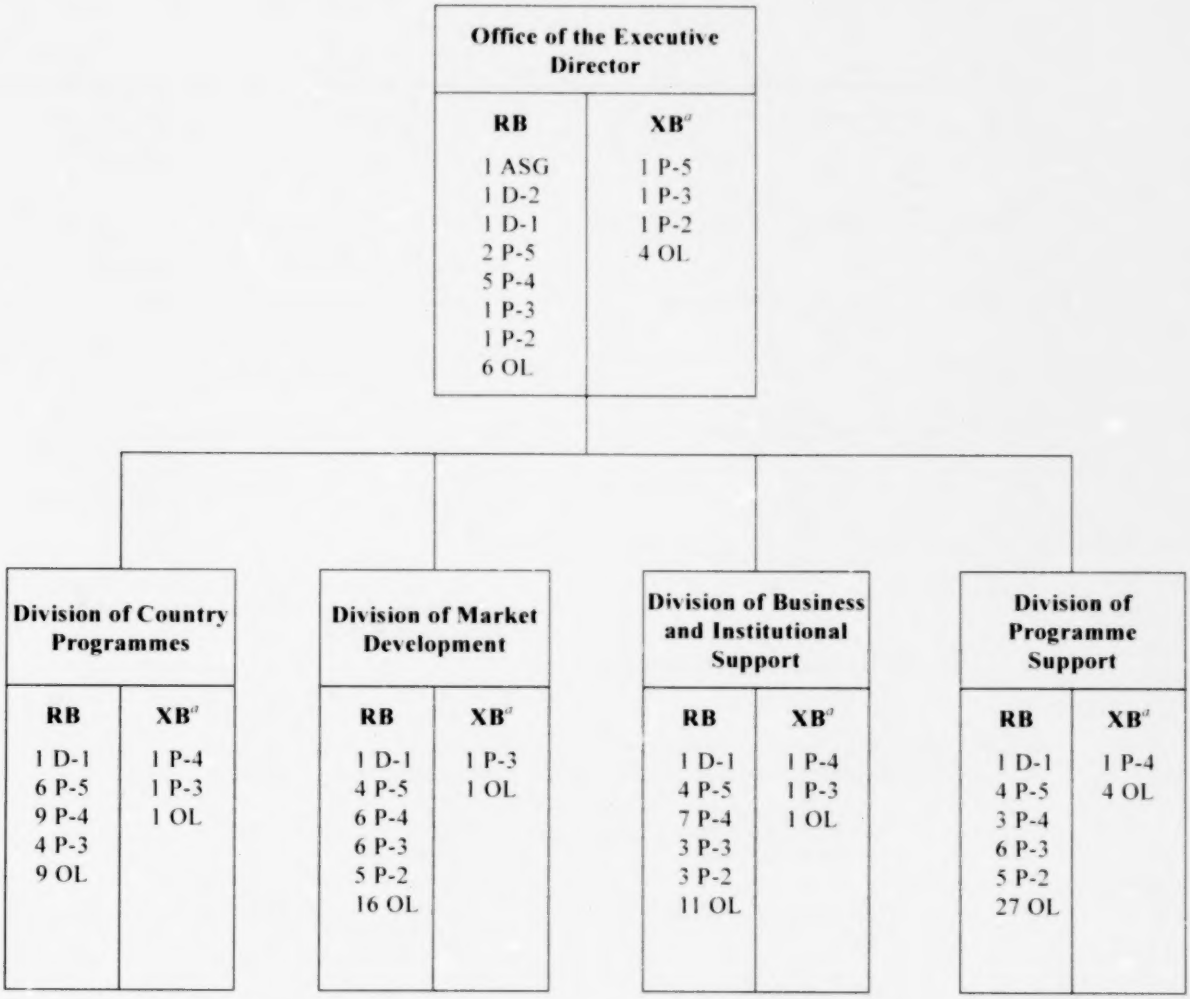
13.49 The overall resources required for the biennium 2016-2017 for this section amount to SwF 73,397,600, before recosting, at an exchange rate of SwF 0.950 to $1.00. The proposed overall requirements for section 13 for the biennium 2016-2017 would comprise: (a) an amount of SwF 58,847,400, under post resources, for 160 posts (91 Professional, 69 General Service); and an amount of SwF 14,550,200 (before recosting) under non-post resources to cover operational requirements of the Centre.

13.50 As indicated in paragraph 13.29 and table 13.7 above, the proposed overall requirements for this section would amount to SwF 75,501,700 (after recosting) for the biennium 2016-2017 before taking into consideration the miscellaneous income amounting to SwF 400,000.

13.51 During the biennium 2016-2017, extrabudgetary resources are expected to amount to SwF 119,700,000, reflecting an increase of 17 per cent over the previous biennium, and will be used to provide trade-related technical assistance to developing countries and countries with economies in transition.

Annex I

Organizational structure and post distribution for the biennium 2016-2017



Abbreviations: RB, regular budget; XB, extrabudgetary; ASG, Assistant Secretary-General; GS, General Service; OL, Other level.

[a] Funded by programme support costs.

Annex II

Outputs included in the biennium 2014-2015 not to be delivered in 2016-2017

A/68/6 (Sect.13), Add.1, paragraph 13.56	*Output*	*Quantity*	*Reason for discontinuation*
(b) (iii)	Standards At a Glance Sheets	20	The information produced for these fact sheets will continue to be integrated into the Standards Map web-based tool but will not be counted as separate outputs
(b) (iii)	Market Analysis Tools User guides	4	These will still be produced as part of the client-oriented services for ITC's web-based market analysis tools but will not be counted separately
(b) (iii)	Export Quality Management bulletins	2	The programme plan and theory of change of ITC's Value-Added to Trade Programme is currently being revised as part of the Strategic Plan 2015-2017. Outputs related to this programme are currently being reviewed
(b) (i)	Market Sector Papers	2	The revised publication programme, aligned to the 2015-2017 Strategic Plan, will be spearheaded by a flagship publication on SME competitiveness. Market/sector papers will be tailor-made for specific clients in the context of specific projects
(b) (viii)	Enquiry reply service	1	ITC will continue to respond to trade-related enquiries from clients but, in keeping with the more strategic approach to output formulation, will not count each enquiry as a separate output
(b) (i)	The Global Enabling Trade Report	1	The revised publication programme, aligned to the 2015-2017 Strategic Plan, will be spearheaded by a flagship publication on SME competitiveness
(b) (iii)	Information kit for World Export Development Forum	2	These will be produced for the annual World Export Development Forum but will not be counted as a separate output to the special event
(b) (iii)	World Export Development Forum Proceedings Report	2	These will be produced for the annual World Export Development Forum but will not be counted as a separate output to the special event
(b) (vi)	Women Vendors and Exhibition Forum	2	This forum will continue as part of the annual World Export Development Forum special event. It will not be counted as a separate output
(b) (v)	Press conferences	6	ITC will continue to host press conferences to raise awareness on key issues related to SME international competitiveness and sustainable development but, in keeping with the more strategic approach to output formulation, these will not be counted as individual outputs
(b) (v)	Press releases	60	ITC will continue to produce press releases to raise awareness on key issues related to SME international competitiveness and sustainable development but, in keeping with the more strategic approach to output formulation, these will not be counted as individual outputs

A/68/6 (Sect 13) Add.1, paragraph 13.36	Output	Quantity	Reason for discontinuation
(b) (vii)	Coffee guide online	1	This online guide is integrated into the ITC website and, in keeping with the more strategic approach to output formulation, will not be counted as an individual output
(b) (vii)	Cotton Exporter's guide online	1	This online guide is integrated into the ITC website and, in keeping with the more strategic approach to output formulation, will not be counted as an individual output
(b) (vii)	Leatherline	1	This online guide is integrated into the ITC website and, in keeping with the more strategic approach to output formulation, will not be counted as an individual output
Total		**105**	

Annex III

Summary of follow-up action taken to implement outstanding recommendations of the oversight bodies

Brief description of the recommendation	*Action taken to implement the recommendation*
Board of Auditors	
(A/69/5 (Vol. III), chap. II)	
The Board recommended that the International Trade Centre (ITC) regularly inform both the General Assembly and the General Council of the World Trade Organization (WTO) of the projected future level of funding required to support end-of-service liabilities (para. 14).	After-service health insurance (ASHI) liabilities are shown in the International Trade Centre (ITC) financial statements which are presented to both the General Assembly and the World Trade Organization (WTO) General Council. Starting from 2016, ITC financial statements will be prepared on an annual basis. In its resolution 68/244, the General Assembly accepted the recommendation of the Advisory Committee on Administrative and Budgetary Questions to continue the pay-as-you go approach in relation to the funding of ASHI liabilities. ITC will start in 2016 an accrual to reflect the actual cost of accruing the ASHI entitlements for extrabudgetary-funded staff.
The Board recommended that ITC review whether the current rates for programme support recover the full costs of projects (para. 19).	The rate of programme support costs to be charged is a policy issue and falls under the authority of the United Nations Controller. This fact notwithstanding, ITC will continue its efforts to review the costs attributable to projects and to identify those which can be directly allocated.
The Board recommend that ITC: (a) further develop its project plan for the continuing costing methodology work and include key milestones and outputs to enable active monitoring of the project; and (b) thoroughly analyse its regular budget costs to enable the full costing of projects (para. 21).	Initiatives are under way to cost outputs and outcomes. Part of this work is dependent on the functions available in Umoja, which will only be deployed in Geneva by the end of 2015. The project structure in UMOJA will be utilized to capture direct costs at the output and activity levels. New complementary methodologies and supporting applications where needed will be developed to better indicate full project costs.
The Board recommended ITC evidence more thoroughly the evaluation of three candidates [within consultancy database] (para. 37).	ITC currently deploys the same level of organizational scrutiny as the United Nations Secretariat in terms of oversight of the managerial evaluation of three candidates. Notwithstanding the ongoing push towards personal and professional accountability for hiring managers, ITC will amend its consultants hiring process to ensure that the names of any potential consultants who were considered, but not ultimately selected, are made explicit together with the reasons for their non-selection.
The Board recommended that ITC seek to quality assure performance evaluations of consultants (para. 40).	In the future, ITC will be rolling out a new online consultants' appraisal tool that will incorporate a quality assurance element.

Brief description of the recommendation	*Action taken to implement the recommendation*
Board of Auditors	
(A/67/5 (Vol. III), chap. II)	
The Board recommended that ITC review the methodology for charging programme support and ensure that the full costs of staff are charged to all projects (para. 31).	Programme support cost has been established to cover all the administrative costs, including staff costs, relating to the implementation/management of projects. The percentage rate is approved by the General Assembly in its resolution 35/217. An element of 8 per cent charge for repatriation grant accrual is currently applied to all technical cooperation funds. The General Assembly in its resolution 68/244 endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions to continue the pay-as-you go approach for the ASHI liabilities at the present time. ITC follows the lead of the United Nations Secretariat for extrabudgetary-funded staff.
The Board recommended that ITC: (a) when reporting its achievement indicators, provide accompanying commentary and data which illustrates the extent to which the number of entities reporting improvements attributable to ITC are located in priority or less developed countries; (b) integrate its selected performance indicators with published synthesis reporting of its periodic detailed evaluation of programmes, to provide deeper insight and assurance on the existence of improvements and their attribution to ITC input (para. 59).	ITC has published an online portal to access data on its indicators of achievement and related data on development results. The data are structured in such a way that actual measures for indicators of achievement can be traced back to projects and countries where ITC is active, including priority countries. This provides open and full access to ITC results data, including priority countries. In addition, particular attention has been given to presenting ITC development results in least developed countries, sub-Saharan Africa and other priority countries more clearly in the ITC submission to the interim programme performance report of the United Nations for the biennium 2014-2015. ITC also plans to use the evaluation function to assess performance related to the achievement of indicators through published synthesis reporting.
The Board recommended that ITC consult with its stakeholders and other trade promotion agencies to ensure harmonization of reporting, and that the burdens implied by its own requirements are sustainable (para. 60).	ITC convened a seminar on exploring a common framework for impact assessment in Aid for Trade. As a follow-up to this, ITC will coordinate with its donors to explore better harmonization of donor reporting requirements. ITC co-hosted the annual meeting of the Donor Committee for Enterprise Development, held from 8 to 10 July 2014. ITC is working towards implementing the International Aid Transparency Initiative standard. In 2014 ITC started a series of dialogues with stakeholders and academic experts to build better approaches for understanding impact. ITC has joined the Donor Committee on Enterprise Development, including its working group on results measurement. ITC is working towards implementing the International Aid Transparency Initiative Standard. Addition to these undertakings, ITC is active in streamlining reporting standards to the Aid for Trade community, OECD and the wider stakeholder forum.

Brief description of the recommendation	*Action taken to implement the recommendation*
	ITC recently convened a seminar on exploring a common framework for impact assessment in Aid for Trade. As a follow-up to this, ITC will coordinate with ITC donors to explore better harmonization of donor reporting requirements. ITC has joined the Donor Committee on Enterprise Development, including its working group on results measurement. ITC hosted its annual meeting from 8 to 10 July 2014. ITC is working towards implementing the International Aid Transparency Initiative Standard.
The Board reiterated its recommendation to establish a link between achievements and the resources allocated, and to use data on underachievement to inform the reallocation of funds (para. 65).	A pilot project was conducted to determine the unit costs of some trade-related technical assistance activities. The project has been completed and covered 16 per cent of the technical assistance expenditure, which produced data on the variability of costs of outputs that are being incorporated into future planning decisions. ITC has deferred full implementation to December 2015. ITC has established quarterly performance reviews across the technical assistance portfolio. Budgets on underperforming projects have been reduced and freed up resources allocated to projects that are better able to use them.
Office of Internal Oversight Services	
Audit of a donor-funded project implemented by the International Trade Centre in Côte d'Ivoire	
ITC should ensure that appropriate arrangements are in place to conduct an evaluation of the project in accordance with its policy (recommendation 1).	As the dynamism of trade-related technical assistance is evolving and in line with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, more and more development assistance programmes will be integrated (elaborated and implemented by multiple agencies) in order to deliver tangible impacts. PACIR is one such programme. ITC management is of the view that the overall evaluation of PACIR to be undertaken soon by the European Union will be more beneficial to all stakeholders (including ITC) rather than a stand-alone ITC evaluation. Basically, an integrated evaluation will be more sensible for an integrated programme as opposed to a stand-alone exercise which could cast an oblique view of the organization's performance
Audit of Human Resources Management at the International Trade Centre	
ITC should finalize and obtain approval for its "PeopleStrategy 2014-16", which should include baselines and targets for each of the goals identified in this strategy (recommendation 3).	Publication delayed to enable document to reflect better organizational priorities as outlined in the new ITC Strategic Plan 2015-2017 (published January 2015).

Brief description of the recommendation	*Action taken to implement the recommendation*
ITC should report to the United Nations Controller the estimated overpayments made to staff members for rental subsidies, amounting to $90,500, owing to an incorrect interpretation of the rental subsidy entitlement, and seek to implement appropriate advice in the matter in terms of the Administrative Instructions on recovery of overpayments made to staff members (ST/AI/2009/1) (recommendation 5).	Complete. Staff members who received overpayments were invited to repay the amounts. All but one declined. Write-off action, following advice from the Controller, has been undertaken for those who declined repayment. Recovery action for the one remaining staff member is in progress.
Audit of project management at the International Trade Centre	
The International Trade Centre should ensure that the Section Chiefs submit closure reports before the projects are financially closed (recommendation 3).	In September 2013 ITC carried out a review of the project cycle. The review examined the closure phase of the project cycle. The existing regulation is that all project managers must submit a closure report on their project no later than one month after the project is operationally closed.
Audit of ITC NTF II Project "Creating Sustainable Exporter Competitiveness in the Coffee Sector in Uganda"	
ITC should formalize a corporate-level procedure for the assessment, selection and performance evaluation of its implementing partners, including a mechanism to share partners' performance information within ITC (recommendation 2).	An approach for selecting and implementing partners is being tested in pilot projects. ITC has requested an extension of the deadline to the end of first quarter 2015 to realign the pilot phase with the time frame of the inception phase of new larger projects and programmes.